

STAFF REPORT

City Council Consent Item

DATE: September 18, 2023

TO: Honorable Mayor and Council Members

FROM: Aaron Felmlee, Finance Director

THROUGH: Merritt Perry, City Manager

SUBJECT: Finance Department Monthly Report

STAFF RECOMMENDATION:

Receive report as an informational item.

EXECUTIVE SUMMARY:

Recognized Obligation Payment Schedule (ROPS) Prior Period Adjustment (PPA):

The Recognized Obligation Payment Schedule (ROPS) is the authorizing document that enables the Successor Agency to proceed with winding down the affairs of the former Fortuna Redevelopment Agency and make payments to all its enforceable obligations and projects in progress for the fiscal year. The City, as the successor to the former Fortuna Redevelopment Agency, annually gets approval for its ROPS through the Humboldt County Oversight Board and historically receives between \$700 thousand and \$1.1 million through the ROPS approval process (January of each year) to wind down the former Fortuna Redevelopment Agency's activities.

Pursuant to Health and Safety Code (HSC) section 34186 (c), Agencies are required to submit their PPA form to the County Auditor-Controller (CAC) for review by October 1, 2022. This form reports the differences between the estimated obligations on past ROPS and the actual expenditures. Agencies must report the actual expenditures that were expended three years earlier than the upcoming annual ROPS period. Failure to submit the PPA report can result in lost revenue to the City in future ROPS submissions. Finance staff is pleased to announce that the City's PPA has been submitted and received by the California Department of Finance.

Fiscal Year 2022-23 Financial Statement Audit:

July 1 commenced the start of a new fiscal year for the City. Staff is working on closing the previous fiscal year and preparing for the City's annual financial statement audit. The City's auditor will be Michael O'Connor from R.J. Ricciardi, Inc., CPA who also performed last year's audit for the City. Last year Michael and his staff were unable to come onsite due to COVID which made the interim audit work more difficult and time consuming to complete. However, this year Michael and his staff are planning to come on site for a week to conduct interim audit work during the month of September or October.

Finance staff will be preparing for this interim audit work by preparing the necessary reconciliations, reports, adjustments and backup information that is required during the audit process. Having these documents ready prior to the auditors' arrival has provided for a smooth audit process in years past.

Measure E Update:

The Measure E committee's next regularly scheduled meeting is set for September 19, 2023 at 5:30pm. The primary purpose of this meeting will be for Staff to review with the Committee the list of Measure E funded projects that were included in the Council Adopted Budget for fiscal year 2023-24 and review preliminary results for FY 2022-23 for revenues and expenditures.

List of Measure E items funded this month:

- (2) Police Detective Positions
- Police Community Services Officer Position
- Police Records Clerk Position
- Parks and Recreation Director Position
- Recreation Program Supervisor Position
- Police Officer Over Hire
- Transit Trips to Eureka for Seniors
- PT Code Compliance Officer Position
- K-9 Program
- Storm Drain Infrastructure Vulnerability Assessment Project
- Prop 1 LID 12th St Project
- Police Facility Project
- Fortuna Senior Center Program MOU

An activity log displaying important Finance data is attached for informational purposes.

RECOMMENDED COUNCIL ACTION:

Receive Finance Department Monthly Report. Consent Agenda vote.

ATTACHMENTS:

- Finance Staff Activity Log for August 2023